

Message Text

CONFIDENTIAL

PAGE 01 KINGST 04348 221428Z

63

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 CAB-09 COME-00 FAA-00 DOTE-00 SCEM-02

SCI-06 TRSE-00 OMB-01 INT-08 IO-14 DRC-01 /146 W

----- 079623

R 221330Z DEC 73

FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC 3630

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY GEORGETOWN

AMEMBASSY PORT OF SPAIN

C O N F I D E N T I A L KINGSTON 4348

E.O. 11652: GDS

TAGS: ENRG, JM

SUBJ: ENERGY CRISIS

REF: STATE 248152

1. CHARGE HANDED AIDE MEMOIRE CONTAINING SUBSTANCE REFTEL TO MINISTER OF INDUSTRY AND TOURISM P.J. PATTERSON TODAY. (DEC 21). IN SO DOING CHARGE STRESSED THAT WE ANTICIPATED JAMAICA WOULD TAKE RECIPROCAL ACTION TO ASSURE NON-DISCRIMINATION OF ACCESS TO FUEL BY US CARRIERS.

2. PATTERSON EXPRESSED APPRECIATION FOR THE ACTION OF USG IN PERMITTING FOREIGN CARRIER NON-DISCRIMINATORY ACCESS TO FUEL IN THE US. HE ASSURED CHARGE THAT JAMAICA WOULD DO EVERYTHING POSSIBLE TO PROVIDE AMPLE FUEL FOR AMERICAN CARRIERS SERVING JAMAICA. HE POINTED OUT THAT IS IS OF KEY IMPORTANCE TO JAMAICA'S CRITICAL TOURIST INDUSTRY THAT AS MANY FLIGHTS INTO JAMAICA AS POSSIBLE CONTINUE REGARDLESS OF THE NATIONALITY OF THE CARRIER. THE ONLY CAVEAT HE PLACED ON HIS ASSURANCES WAS THAT FOREIGN CARRIERS ELIMINATING FLIGHTS TO JAMAICA WOULD HAVE THEIR FUEL ALLOCATION HERE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KINGST 04348 221428Z

HERE REDUCED PROPORTIONATELY. THAT IS, IF A CARRIER SUCH AS PANAM

WERE TO REDUCE ITS FLIGHTS TO JAMAICA BY HALF FUEL ALLOCATION IN JAMAICA TO PANAM WOULD BE REDUCED BY THE SAME AMOUNT. PATTERSON INDICATED THAT FUEL SAVED IN THIS WAY WOULD BE ALLOCATED TO CHARTER OPERATORS BRINGING TOURISTS TO JAMAICA. HE SAID THAT PANAM HAD OFFERED TO BASE THREE AIRCRAFT IN JAMAICA TO BE USED EXCLUSIVELY FOR CHARTER OPERATIONS, AND THAT, IN THIS CASE, FUEL ALLOCATION WITHHELD FROM PANAM BECAUSE OF ANTICIPATED CUTS IN REGULAR SCHEDULED SERVICE WOULD BE REALLOCATED TO PANAM AT LEAST IN PART FOR CHARTER FLIGHTS.

3. WHILE EXPRESSING APPRECIATION FOR USG ACTION IN ASSURING NON-DISCRIMINATORY ACCESS TO AVIATION FUEL IN THE US, PATTERSON INDICATED HIS GOVT'S CONCERN WITH ONE ASPECT OF THE PRESIDENT'S NATIONAL ENERGY POLICY STATEMENT OF NOV 25, WHICH, ALTHOUGH NOT INTENDED TO BE DISCRIMINATORY, HAD THAT EFFECT WITH RESPECT TO AIR JAMAICA. HE SAID THIS FEATURE WAS THE SELECTION OF THE 1ST QUARTER OF 1972 AS THE BASE LINE FOR DETERMINING FUEL ALLOCATION FOR AN INDIVIDUAL AIRLINE AFTER THE 15 PERCENT REDUCTION. HE SAID THAT AIR JAMAICA, JAMAICA'S NATIONAL AIRLINE, WAS WILLING TO DO ITS PART AND TAKE A 15 PERCENT CUT FROM ITS ACTUAL REQUIREMENTS. HOWEVER, IN 1972 AIR JAMAICA WAS JUST GETTING STARTED AND IN THE PAST TWO YEARS HAS MORE THAN DOUBLED ITS BUSINESS. IN FACT AIR JAMAICA HAS BEEN ONE OF THE BRIGHT SPOTS AND SUCCESS STORIES IN BOTH JAMAICA AND CARIBBEAN ECONOMIC DEVELOPMENT. AS A RESULT OF THE GREAT INCREASE IN BUSINESS THE PAST TWO YEARS THE ACTUAL RESULT OF A 15PERCENT REDUCTION BASED ON THE 1ST QUARTER OF 1972 WOULD BE A 38PERCENT CUT IN AIR JAMAICA'S CURRENT REQUIREMENTS. PATTERSON SAID THAT SUCH A REDUCTION IN OPERATIONS WOULD NOT ONLY COME CLOSE TO FINISHING AIR JAMAICA, BUT WOULD HAVE A CRIPPLING EFFECT ON THE TOURIST INDUSTRY ON WHICH JAMAICA DEPENDS FOR MUCH OF ITS FOREIGN EXCHANGE. PATTERSON INDICATED THAT HE DID NOT BELIEVE DAMAGE TO A FOREIGN AIRLINE PRIMARILY BECAUSE IT HAD BEEN BUOYANTLY SUCCESSFUL OVER THE PAST TWO YEARS LAY WITHIN THE INTENT OF THE PRESIDENT'S DIRECTIVE, AND ASKED IF THE SITUATION COULD BE REVIEWED AND POSSIBLY MODIFIED UNDER PROVISIONS FOR SPECIAL EXCEPTION HE UNDERSTOOD FORMED PART OF THE PRESIDENT'S DIRECTIVE.

FYI: THE JAMAICAN POSITION ON THIS ISSUE IS EXPLAINED MORE FULLY IN A LETTER TO MR. JAMES GILL, DEPUTY DIRECTOR, OFFICE OF PETRO ALLOCATIONS, US DEPT OF INTERIOR, FROM MR. F.C. EYRE, CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KINGST 04348 221428Z

PRESIDENT AND MANAGING DIRECTOR OF AIR JAMAICA, DATED DEC 5, 1973. END FYI.

4. IN RESPONSE TO A QUESTION FROM THE CHARGE PATTERSON SAID THAT THE GENERAL FUEL SITUATION WAS SERIOUS. HE REPORTED THAT PM MANLEY HAD RECEIVED A PROMISE IN PORT OF SPAIN THAT TRINIDAD WOULD MEET JAMAICA'S BASIC FUEL REQUIREMENTS NEEDED TO KEEP IT KEY INDUSTRIES OPERATING (ELECTRIC POWER, BAUXITE AND ALUMINA, AND THE

PRINCIPAL TOURIST HOTELS). HOWEVER, TRINIDAD COULD NOT GUARENTEE SUFFICIENT SUPPLIES FOR ALL JAMAICAN REQUIREMENTS, AND SOME FORM OF RATIONING WOULD ALMOST CERTAINLY HAVE TO BE ADOPTED IN THE NEAR FUTURE. HE SAID THE PICTURE WOULD BE CLEARER WHEN THE MINISTER OF MINES AND NATURAL RESOURCES ALLAN ISAACS RETURNS FROM HIS PETROLEUM-HUNTING EXPEDITION TO VENEZUELA TODAY.
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